

## CLAIMS

We Claim:

1. A point-of-sale (POS) check service system comprising:

device means for receiving checking account information from a paper check of a customer, and for receiving an amount concerning a sale to said customer, said checking account information and said amount being collectively transaction information, said paper check not being used as a negotiable instrument and being returned to said customer;

a host computer arranged to receive said transaction information from said device means and to forward it into said POS check service system;

a switch computer arranged to receive said transaction information from said host computer and to further route said transaction information;

a drawee bank which receives said transaction information from said switch computer; and

a drawee computer of said drawee bank that receives said transaction information and is arranged to perform conversion, verification or guarantee based upon said transaction information, said drawee computer further arranged to return a response message to said host computer indicating the result of said conversion, verification or guarantee.

2. A POS check service system as recited in claim 1 further comprising:

a telecommunications network used for communications between said host computer, said switch computer and said drawee computer that provides online, real-time communications between said computers.

3. A POS check service system as recited in claim 1 wherein said device means includes a magnetic ink character recognition (MICR) device through which said paper check is swiped and a merchant point-of-sale terminal into which said amount may be entered.
4. A POS check service system as recited in claim 1 wherein said drawee computer is further arranged to perform conversion only, conversion with verification or conversion with guarantee based upon said transaction information.
5. A POS check service system as recited in claim 1 wherein said drawee computer is further arranged to receive said checking account information in the form of raw MICR data and to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at a drawee bank and not at said device means.
6. A POS check service system as recited in claim 1 further comprising:  
  
a service request message delivered to said switch computer which includes said transaction information and an indication of whether conversion only, conversion with verification or conversion with guarantee is desired.
7. A POS check service system as recited in claim 6 wherein said service request message includes a settlement code indicating how settlement will occur, thereby accommodating any customer bank and any type of service request.

8. A POS check service system as recited in claim 6 wherein said service request message includes a unique transaction identifier that ties together related transactions in a transaction set.

9. A point-of-transaction check service system comprising:

device means for receiving checking account information from a paper check of an individual and for receiving an amount representing a monetary transaction which is to be deposited into a depositing account, said checking account information, said amount and a depositing account being collectively transaction information, said paper check not being used as a negotiable instrument;

a host computer arranged to receive said transaction information from said device means and to forward it into said point-of-transaction check service system;

a switch computer arranged to receive said transaction information from said host computer and to further route said transaction information;

a drawee bank which receives said transaction information from said switch computer; and

a drawee computer of said drawee bank that receives said transaction information and is arranged to perform conversion, verification or guarantee based upon said transaction information, said drawee computer further arranged to return a response message to said host computer indicating the result of said conversion, verification or guarantee.

10. A point-of-transaction check service system as recited in claim 9 further comprising:

a financial institution holding said depositing account, to which said amount is deposited depending upon the result of said conversion, verification or guarantee.

11. A point-of-transaction check service system as recited in claim 9 further comprising:

a telecommunications network used for communications between said host computer, said switch computer and said drawee computer that provides online, real-time communications between said computers.

12. A point-of-transaction check service system as recited in claim 9 wherein said drawee computer is further arranged to perform conversion only, conversion with verification or conversion with guarantee based upon said transaction information.

13. A point-of-transaction check service system as recited in claim 9 wherein said drawee computer is further arranged to receive said checking account information unparsed and to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at a drawee bank and not at said device means.

14. A point-of-transaction check service system as recited in claim 9 further comprising:

a service request message delivered to said switch computer which includes said transaction information and an indication of whether conversion only, conversion with verification or conversion with guarantee is desired.

15. A point-of-transaction check service system as recited in claim 14 wherein said service request message includes a settlement code indicating how settlement will occur, thereby accommodating any customer bank and any type of service request.

16. A point-of-transaction check service system as recited in claim 14 wherein said service request message includes a unique transaction identifier that ties together related transactions in a transaction set.

17. A method of performing a transaction at a point of sale, said method comprising:

- a step for performing the function of receiving checking account information from a paper check of a customer;
- entering an amount of said transaction into a terminal;
- assembling a service request message that includes said checking account information, said amount and a request to perform conversion only, conversion with verification or conversion with guarantee;
- sending said service request message to a switch computer arranged to receive and to further route said service request message;
- receiving a response message via said switch computer indicating a response to said request to perform conversion only, conversion with verification or conversion with guarantee; and
- returning said paper check to said customer, said paper check not being used as a negotiable instrument.

18. A method as recited in claim 17 wherein said step for performing the function of receiving includes:

- swiping a paper check of a customer through a device to obtain raw magnetic ink character recognition (MICR) information from said check.

19. A method as recited in claim 17 further comprising:

performing said steps of sending and receiving over a telecommunications network that provides online, real-time communications, whereby said customer at said point of sale waits a reasonable time for said response message.

20. A method of processing a paper check transaction occurring at a point of sale, a monetary amount originating at said point of sale and said paper check providing checking account information, said method comprising:

receiving a service request message from said point of sale, said service request message including said checking account information, said monetary amount and a request for a type of check service;

determining whether a portion of said checking account information matches with one of a plurality of participating banks;

determining whether said request for a type of check service matches with a service provided by one of said banks;

determining where to route said service request message;

sending said service request message to an authorizing institution that is equipped to handle said request for a type of check service;

receiving a response message to said service request message from said authorizing institution; and

sending said response message to said point of sale indicating the result of said request for a type of check service, whereby said paper check is not used as a negotiable instrument and is returned to said customer.

21. A method as recited in claim 20 further comprising:

performing said steps of receiving and sending over a telecommunications network that provides online, real-time communications, whereby said customer at said point of sale waits a reasonable time for said response message.

22. A method as recited in claim 20 wherein said request for a type of check service includes a request for conversion only, conversion with verification or conversion with guarantee.

23. A method as recited in claim 20 wherein said checking account information is received in raw MICR data format and is sent to said authorizing institution in order to parse said checking account information to obtain a transit routing number and an account number of the customer, whereby parsing occurs reliably at an authorizing institution and not at said point of sale.

24. A method as recited in claim 20 further comprising:

adding a settlement code indicating how settlement will occur to said service request message, thereby accommodating any customer bank and any type of service request.

25. A method as recited in claim 20 further comprising:

adding a unique transaction identifier to said service request message, thereby tying together related transactions in a transaction set.